

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 11/15/2011	(3) CONTACT/PHONE Emily Jackson, Dan Buckshi (805)781-5011	
(4) SUBJECT Review of the FY 2012-2013 Budget Goals and Policies, Budget Balancing Strategies and Approaches, and Board Priorities.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Review and approve the FY 2012-13 Budget Goals and Policies (reference Attachment A1 and A2). 2. Continue to implement the budget balancing strategies and approaches that have been approved and implemented by your Board over the past four years (reference Attachment B). 3. Provide staff with direction regarding any changes to the Board's priorities. 			
(6) FUNDING SOURCE(S) n/a	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>60min</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: n/a <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) n/a		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP N/A	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>November 23, 2010, item D-2</u>	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Emily Jackson, Administrative Analyst
Dan Buckshi, Assistant County Administrative Officer

DATE: 11/15/2011

SUBJECT: Review of the FY 2012-2013 Budget Goals and Policies, Budget Balancing Strategies and Approaches, and Board Priorities.

RECOMMENDATION

It is recommended that the Board:

1. Review and approve the FY 2012-13 Budget Goals and Policies (reference Attachment A1 and A2).
2. Continue to implement the budget balancing strategies and approaches that have been approved and implemented by your Board over the past four years (reference Attachment B).
3. Provide staff with direction regarding any changes to the Board's priorities.

DISCUSSION

FY 2012-13 Budget Goals and Policies

Each year the Board of Supervisors adopts budget goals and policies to guide staff in the preparation of the proposed budget. Last year, a comprehensive review and reorganization of the goals and policies was conducted and several significant changes were incorporated into the FY 2011-12 Budget Goals and Policies. This year, County Administrative staff has made additional changes to further clarify some of the budgetary practices already used by the County.

Changes to the FY 2012-2013 Budget Goals and Policies include the following:

- The addition of a 'Long-Term Financial Planning' policy (#12) which reflects the financial forecast that is presented to the Board each October
- The addition of a 'Funding of Reserves/Contingencies/Designations' policy (#14) which reflects the County's balanced approach to funding reserves and building back programs that have been scaled back due to budgetary constraints
- Revisions to the criteria outlined in the 'Capital Project Policies' to reflect the updated capital project criteria

Budget Balancing Strategies and Approaches

For the past four years, the County has adhered to a set of Budget Balancing Strategies and Approaches as a means to weather the current economic crisis. The utilization of these solid and tested budget principles and practices has served the County well, and as a result, we have largely been able to avoid the drastic cuts to programs, services, and staff that other counties have faced. As a result, it is recommended that your Board continue to direct staff to implement the Budget Balancing Strategies and Approaches (reference attachment B) that have been utilized over the past four years.

Board Priorities

On October 11, 2011, staff presented the FY 2012-13 Financial Forecast to your Board. During that discussion, it

was decided that your Board would discuss its FY 2012-13 priorities at the same time that the FY 2012-13 Budget Goals and Policies and Budget Balancing Strategies and Approaches were considered.

Currently the Board's priorities are as follows (in order):

- Meet legal mandates
- Meet debt service requirements
- Public Safety- defined as:
 - Sheriff-Coroner (fund center 136)
 - District Attorney (fund center 13201)
 - Probation (fund center 139)
 - County Fire (fund center 140)

OTHER AGENCY INVOLVEMENT/IMPACT

All County departments will utilize the Budget Goals and Policies in the preparation of the FY 2012-13 budget.

FINANCIAL CONSIDERATIONS

There is no financial impact directly associated with the adoption of the Budget Goals and Policies and Budget Balancing Strategies and Approaches. However, it should be noted that the establishment of sound fiscal policies has, and will continue to have a positive impact on the County's long term fiscal health by helping to frame resource allocation decisions.

RESULTS

The approval of the FY 2011-2012 Budget Goals and Policies, Budget Balancing Strategies and Approaches, and Board Priorities will contribute to the development of a Proposed Budget document that reflects the goals and policies of the Board of Supervisors and will provide a framework for the continued creation of a spending plan that focuses on measurable results and high performance.

ATTACHMENTS

1. Attachment A1- FY 2012-13 Budget Goals and Policies- clean version
2. Attachment A2- FY 2012-13 Budget Goals and Policies- strikeout version
3. Attachment B- FY 2012-13 Budget Balancing Strategies and Approaches